



**From Rod Backman, Director  
Office of Management and Budget  
600 E. Blvd. Ave. , Dept 110 - Bismarck, ND 58505-0400**

March revenue collections were fairly strong, exceeding the 1999 revised revenue forecast by \$3.3 million. Biennium-to-date collections are now \$3.6 million over the revised revenue forecast and \$40.6 million over the original 1997 legislative forecast.

Nationally, WEFA expects real economic growth to slow slightly to 3.8 percent in 1999 and 1.8 percent in 2000. This compares to real economic growth of 3.9 percent in 1998. Oil prices have risen in the last month, however, WEFA believes oil prices are likely to moderate in the next few months before

resuming an upward climb in the second half of 1999.

Now that the legislative session is wrapping up, I would like to thank all the Senators and Representatives for their hard work. I've enjoyed working with you again.

**Comments or Questions???**

Call Rod Backman, Director  
Pam Sharp, Deputy Director  
Office of Management and Budget  
600 East Boulevard Ave, Dept 110  
Bismarck, ND 58505-0400  
Phone: 701-328-4904  
Fax : 701-328-3230  
E-mail : sfrankli@state.nd.us

## Telecommunications Tax

A special fund for telecommunications tax collections was authorized in SB 2101. As a result, all of the telecommunications tax collections that had been deposited into the general fund have been moved to that special fund. As of March 31, total collections for

calendar year 1998 amounted to \$8,212,063.



## Oil Activity

Oil production has continued to decline due to the lack of drilling activity and more marginal wells being idled. Although oil prices seem to be turning around, the oil industry is strapped for cash and is taking a "wait and see" attitude on prices before starting any

new capital investments.

Oil production in January averaged 91,061 barrels per day. Preliminary oil production estimates for February show an average of 90,911 barrels per day. The current price of oil is in the \$12 per barrel range.

**STATEMENT OF GENERAL FUND REVENUES AND FORECASTS**  
**1997-99 BIENNIUM**  
**MARCH, 1999**

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	Apr-97 Legislative Forecast	Actual	Variance	Percent	Apr-97 Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 19,520,000.00	\$ 23,061,451.22	3,541,451.22	18.1%	\$ 495,736,000.00	\$ 492,893,454.12	(2,842,545.88)	-0.6%
Motor Vehicle Excise Tax	4,094,880.00	4,549,744.71	454,864.71	11.1%	85,881,780.00	82,339,537.14	(3,542,242.86)	-4.1%
Individual Income Tax	6,750,640.00	4,050,870.92	(2,699,769.08)	-40.0%	269,181,580.00	293,118,846.75	23,937,266.75	8.9%
Corporate Income Tax	2,290,500.00	4,694,530.12	2,404,030.12	105.0%	71,749,800.00	94,843,916.23	23,094,116.23	32.2%
Insurance Premium Tax	4,100,000.00	4,173,888.90	73,888.90	1.8%	29,545,000.00	28,303,690.56	(1,241,309.44)	-4.2%
Business Privilege Tax	344,800.00	844,952.00	500,152.00	145.1%	2,661,600.00	3,869,145.25	1,207,545.25	45.4%
Oil & Gas Production Tax	2,401,017.00	1,322,184.90	(1,078,832.10)	-44.9%	29,772,921.00	23,341,688.92	(6,431,232.08)	-21.6%
Gaming Tax	50,000.00	19,200.59	(30,799.41)	-61.6%	19,666,000.00	19,613,924.43	(52,075.57)	-0.3%
Interest Income	394,000.00	618,377.97	224,377.97	56.9%	11,774,000.00	14,987,695.35	3,213,695.35	27.3%
Oil Extraction Tax	1,363,320.00	882,063.31	(481,256.69)	-35.3%	20,699,360.00	14,769,807.49	(5,929,552.51)	-28.6%
Cigarette and Tobacco Tax	1,595,300.00	1,600,261.54	4,961.54	0.3%	39,792,500.00	39,155,329.23	(637,170.77)	-1.6%
Departmental Collections	950,000.00	924,488.38	(25,511.62)	-2.7%	24,050,000.00	29,828,322.83	5,778,322.83	24.0%
Wholesale Liquor Tax	364,825.00	363,092.18	(1,732.82)	-0.5%	9,230,642.00	9,227,428.82	(3,213.18)	0.0%
Coal Severance Tax	900,160.00	895,819.60	(4,340.40)	-0.5%	19,610,520.00	19,842,468.49	231,948.49	1.2%
Coal Conversion Tax	952,400.00	1,123,787.02	171,387.02	18.0%	21,013,800.00	20,947,137.57	(66,662.43)	-0.3%
Mineral Leasing Fees	200,000.00	165,638.00	(34,362.00)	-17.2%	4,200,000.00	6,677,804.24	2,477,804.24	59.0%
Bank of North Dakota - Transfer					29,600,000.00	29,600,000.00	0.00	0.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					987,763.00	987,763.00	0.00	0.0%
Other Transfers		16,713.24	16,713.24	100.0%	32,094,725.00	33,576,904.08	1,482,179.08	4.6%
<b>Total Revenues and Transfers</b>	<b>46,271,842.00</b>	<b>49,307,064.60</b>	<b>3,035,222.60</b>	<b>6.2%</b>	<b>1,217,247,991.00</b>	<b>1,257,924,864.50</b>	<b>40,676,873.50</b>	<b>3.3%</b>

**REVISED LEGISLATIVE FORECAST  
STATEMENT OF GENERAL FUND REVENUES AND FORECASTS  
1997-99 BIENNIUM  
MARCH, 1999**

REVENUES AND TRANSFERS	FISCAL MONTH				BIENNIUM TO DATE			
	1999 Revised Legislative Forecast	Actual	Variance	Percent	1999 Revised Legislative Forecast	Actual	Variance	Percent
Sales Tax	\$ 22,884,000.00	\$ 23,061,451.22	\$ 177,451.22	0.8%	492,698,221.00	\$ 492,893,454.12	195,233.12	0.0%
Motor Vehicle Excise Tax	4,438,000.00	4,549,744.71	111,744.71	2.5%	82,575,643.00	82,339,537.14	(236,105.86)	-0.3%
Individual Income Tax	4,298,000.00	4,050,870.92	(247,129.08)	-5.7%	290,652,716.00	293,118,846.75	2,466,130.75	0.8%
Corporate Income Tax	2,853,000.00	4,694,530.12	1,841,530.12	64.5%	93,032,025.00	94,843,916.23	1,811,891.23	1.9%
Insurance Premium Tax	4,100,000.00	4,173,888.90	73,888.90	1.8%	29,279,025.00	28,303,690.56	(975,334.44)	-3.3%
Business Privilege Tax	439,000.00	844,952.00	405,952.00	92.5%	3,437,325.00	3,869,145.25	431,820.25	12.6%
Oil & Gas Production Tax	830,000.00	1,322,184.90	492,184.90	59.3%	23,234,940.00	23,341,688.92	106,748.92	0.5%
Gaming Tax	50,000.00	19,200.59	(30,799.41)	-61.6%	19,537,000.00	19,613,924.43	76,924.43	0.4%
Interest Income	493,000.00	618,377.97	125,377.97	25.4%	14,896,000.00	14,987,695.35	91,695.35	0.6%
Oil Extraction Tax	508,000.00	882,063.31	374,063.31	73.6%	14,637,218.00	14,769,807.49	132,589.49	0.9%
Cigarette and Tobacco Tax	1,683,000.00	1,600,261.54	(82,738.46)	-4.9%	39,460,602.00	39,155,329.23	(305,272.77)	-0.8%
Departmental Collections	950,000.00	924,488.38	(25,511.62)	-2.7%	30,177,343.00	29,828,322.83	(349,020.17)	-1.2%
Wholesale Liquor Tax	365,472.00	363,092.18	(2,379.82)	-0.7%	9,212,115.00	9,227,428.82	15,313.82	0.2%
Coal Severance Tax	900,000.00	895,819.60	(4,180.40)	-0.5%	19,837,648.00	19,842,468.49	4,820.49	0.0%
Coal Conversion Tax	984,000.00	1,123,787.02	139,787.02	14.2%	20,668,623.00	20,947,137.57	278,514.57	1.3%
Mineral Leasing Fees	200,000.00	165,638.00	(34,362.00)	-17.2%	6,757,000.00	6,677,804.24	(79,195.76)	-1.2%
Bank of North Dakota - Transfer					29,600,000.00	29,600,000.00	0.00	0.0%
State Mill and Elevator - Transfer								
Gas Tax Admin. - Transfer					987,763.00	987,763.00	0.00	0.0%
Other Transfers		16,713.24	16,713.24	100.0%	33,560,081.00	33,576,904.08	16,823.08	0.1%
<b>Total Revenues and Transfers</b>	<b>45,975,472.00</b>	<b>49,307,064.60</b>	<b>3,331,592.60</b>	<b>6.8%</b>	<b>1,254,241,288.00</b>	<b>1,257,924,864.50</b>	<b>3,683,576.50</b>	<b>0.3%</b>

# Revenue Variances

Sales tax collections in March were very close to the revised revenue forecast - exceeding projections by only \$177,451 or 0.8 percent. Sales tax collections exceeded the original 1997 legislative forecast by \$3.5 million or 18.1 percent. This variance corrects the timing difficulties we have experienced in the last couple months. January and February ended on weekends and the processing of the returns shifted into the next month.

Motor vehicle excise tax collections exceeded the revised revenue forecast by \$111,745 or 2.5 percent and exceeded the original forecast by \$454,865 or 11.1 percent.

Individual income tax collections fell short of the revised revenue forecast by \$247,129 or 5.7 percent. Because of electronic filings, the timing of income tax filings has changed somewhat and as a result, more refunds have been issued earlier this year than in the past. April is the telling month for individ-

ual income tax collections, therefore, next months revenue report will be much more indicative of the filing season.

Corporate income tax collections exceeded the revised revenue forecast by \$1.8 million or 64.5 percent and exceeded the original forecast by \$2.4 million.

Oil and gas production tax collections exceeded the revised revenue forecast by \$492,184 and oil extraction tax collections exceeded the revised forecast by \$374,063. Most of this variance is due to timing. February ended on a weekend and the processing of some of the returns was pushed into March, resulting in a positive variance for March.

Office of Management and Budget  
600 East Boulevard Ave., Dept 110  
Bismarck, ND 58505-0400

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